

**VOLATUS CAPITAL CORP.**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**For the year ended January 31, 2020**

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The Management’s Discussion and Analysis (“MD&A”) was prepared as of May 29, 2020 and is intended to supplement and complement the unaudited condensed interim financial statements of Volatus Capital Corp. (the “Company”) for the year ended January 31, 2020 and 2019 and related notes attached thereto. Accordingly, this MD&A includes the results of operations and cash flows of the Company for the year ended January 31, 2020 and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in Canadian dollars. The aforementioned documents can be accessed on the SEDAR web site [www.sedar.com](http://www.sedar.com).

Unless otherwise stated, financial results have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and Interpretations of the Financial Reporting Interpretations Committee (“IFRIC”).

The Company’s audited financial statements were prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, complete sufficient debt or equity financing, or generate profitable operations in the future. These condensed interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

Effective April 22, 2020, the Company consolidated its common shares on a 3:1 basis. These MD&A reflect the share consolidation for all shares, warrants, options and share amounts retrospectively.

**DESCRIPTION OF BUSINESS**

The Company was incorporated on November 6, 2018 under the laws of British Columbia, is a public company listed on the Canadian Securities Exchange (the “CSE”) and trades under the symbol VC. The address of the Company’s corporate office and its principal place of business is located at Suite 1100, 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at January 31, 2020, the Company had not yet determined whether the Company’s mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

Subsequent to January 31, 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business, including potential delays to its business plans and activities, and continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. These uncertainties raise substantial doubt upon the Company’s ability to continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

## **FORWARD-LOOKING STATEMENTS**

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about the price of metals; (ii) that there are no material delays in the optimisation of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; and (v) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base precious metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; and (v) environmental risks and changes in environmental legislation.

This MD&A contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

## EXPLORATION PROJECT

	Acquisition Costs \$	Exploration Costs \$	Total \$
Balance, incorporation November 6, 2018	-	-	-
Additions	5,000	87,996	92,996
Balance, January 31, 2019	5,000	87,996	92,996
Additions	15,000	5,982	20,982
Balance, January 31, 2020	20,000	93,978	113,978

	Sunset Copper Star Project	Total
Balance, incorporation November 6, 2018	\$ -	\$ -
Acquisition costs – cash	5,000	5,000
Labour	43,800	43,800
Assay	7,737	7,737
Reporting	6,276	6,276
Truck and equipment rentals	9,800	9,800
Travel and fuel	1,986	1,986
Meal and accommodation	12,640	12,640
Management fees	5,757	5,757
Balance, January 31, 2019	92,996	92,996
Acquisition costs – cash	5,000	5,000
Acquisition costs – shares	10,000	10,000
Labour	650	650
Reporting	4,875	4,875
Travel and fuel	412	412
Meal and accommodation	45	45
Balance, January 31, 2020	\$ 113,978	\$ 113,978

### Sunset Copper Star Project

Pursuant to an option agreement dated November 16, 2018 (the “Agreement”), with Rich River Exploration Ltd. and Craig A. Lynes (collectively, the “Optionors”), the Company was granted an option to acquire a 100% undivided interest in the Sunset Copper Star project (the “Property”) located north of the town of Campbell River in the Nanaimo Mining Division, British Columbia.

The Property consists of two contiguous mineral titles covering an area of 1138.15 hectares. These mineral titles were acquired by electronic staking in October and November 2018 and are held by Craig Lynes on behalf of Rich River Exploration Ltd. (“Rich River”). Volatus Capital Corp. (“Volatus”) has optioned the Property from Mr. Lynes and is the operator. Access to the Sunset Copper Star Property is via the Browns Bay forest service road that connects to Highway 19 southwest of the Property. Historical work done on the property dates back to 1899-1901 when three adits were driven on the Sunset veins. Very little work has been done on the property since this time period. New logging roads have improved access to the property. This road construction has exposed several new showings of high grade copper mineralizations. The area covered by the Property is mainly underlain by the upper part of the Karmutsen

Formation stratigraphy, comprising mainly thick massive flows with local intercalations of amygdaloidal basalt and pods of autoclastic breccias, pillowed and massive flows with thin intercalations of volcanoclastic and limey sandstones all cut by thin dolerite/gabbro sills. Three documented mineral occurrences are found on the Sunset Copper Star Property. These are the Star, Sunset, and FS stratiform showings. Historical work has focused on the Sunset showing where several exploratory tunnels have been driven along a north trending shear that contains high grade copper mineralization. Work done on the Sunset Copper Star Property in 2018 included the collection of 66 rock 190 soil and 22 silt geochemical samples. The survey area was also prospected and several new copper showings were located. All of this work was done by Rich River Exploration on behalf of Volatus and was supervised by Mr. C. Lynes. The geochemical sampling took place in November 2018. Samples collected by Rich River were shipped to ALS Minerals laboratories in North Vancouver. The purpose of the geochemical sampling done in 2018 was to characterize the grade of copper mineralization found on the property and to look for new areas of potential copper mineralization by collecting soil samples at closely spaced intervals along a network of logging roads in the northern part of the property. Most of the mineralized samples were collected from veins and shear zones within amygdaloidal subaerial to submarine basaltic volcanic rocks of the Triassic Karmutsen Group. A number of samples containing high grade Cu mineralization were collected from adits and waste dumps at the Sunset showing. Several new showings and areas of anomalous Cu in soils were located in the northern part of the Property.

In accordance with the Agreement, the Company has acquired a 51% undivided interest in the Property by paying \$5,000. The Company has the option to earn the remaining 49% interest in the Property by issuing a total of 200,000 common shares of the Company to the Optionors, making cash payments totaling \$155,000, and incurring a total of \$500,000 in exploration expenditures as follows:

	Common Shares	Cash	Exploration Expenditures
	Number	\$	\$
Upon the closing of the initial public offering of the Company	33,333 (issued at a value of \$10,000)	5,000 (paid)	-
On or before August 30, 2020	33,333	20,000	100,000
On or before August 30, 2021	33,334	30,000	100,000
On or before August 30, 2022	100,000	100,000	300,000
<b>Total</b>	<b>200,000</b>	<b>155,000</b>	<b>500,000</b>

The Optionors will retain a 3% Net Smelter Returns royalty on the Property. The Company has the right to purchase the first 1% of the royalty for \$750,000 and the remaining 2% for \$1,000,000 at any time prior to the commencement of commercial production.

### **Split Dome Copper Project**

During the year ended January 31, 2020, the Company entered into a purchase and sale agreement with a Company owned by the Chief Executive Officer to acquire up to a 100% interest, subject to a 0.25% NSR royalty, in the Split Dome copper project located near Hazelton, British Columbia. In exchange for the 100% interest, subsequent to January 31, 2020, the Company issued 1,000,000 shares and 500,000 warrants with a term of 36 months and an exercise price of \$0.30.

The Split Dome copper project consists of four claim groups totalling 319 claims for 5,840 hectares located 55 km north-east of Hazelton, British Columbia on the west side of the Babine Valley. The project can be accessed by active forestry roads on the northern and southern sides of the claim group, which in turn are accessed two turnoffs north and south of Smithers on Highway 16. Lodges and camp areas are found to the south-south east in the Fort Babine area.

The project target is a dome feature which is bifurcated by two north-south magnetic lows and has the overall magnetic signature that is indicative of an intrusive host rock but has been mapped as a sedimentary rock with a small window of intrusive rocks mapped on the north side of the magnetic signature. The regional stream sampling

downstream of the Split Dome claims indicate second-order copper in silt anomalies and only one sample has been taken in the target area.

Structurally, the Spit Dome Target lays on the South west side of a Northwest - Southeast regional scale strike slip fault that locally follows the Babine river. The Split dome target is nestled in a dilational jog in the fault geometry. This dilational jog gives room for a significant sized granitic intrusive body to rise and become emplaced in the near surface. Continued activity in the dilational jog in the fault allows for the long term structural development and the open spaces required for copper mineralization. The Lone Mountain/Mount Horetzky copper showing is located to the north west on the opposite side of the regional fault structure and demonstrates the pregnant nature of the intrusive system. Split Dome has the signature of a large intrusive body and has the potential to host a significant copper resource.

### Exploration License #5730

In May 2020, the Company iii)advanced \$300,000 to enter an option agreement to purchase a 100% undivided interest in exploration license #5730 in Southern Australia. If no sale transaction is completed by November 13, 2020, the seller will return \$250,000 to the Company.

Michael Collins, President and CEO and shareholder is the Qualified Person with respect to the company's properties.

### RESULTS OF OPERATIONS

The Company incurred a loss and comprehensive loss of \$322,904 (for the period from incorporation on November 6, 2018 to January 31, 2019 - \$62,497) for the year ended January 31, 2020. A brief explanation of the significant changes in expenses by category is provided below:

- Management and consulting fees of \$101,332 (for the period from incorporation on November 6, 2018 to January 31, 2019 – \$8,400) due to an increase in activity in the Company resulting the number of consultants in the current year.
- Financing fees of \$30,686 (for the period from incorporation on November 6, 2018 to January 31, 2019 - \$Nil) due to the issuance of shares in an initial public offering in the current year.
- Professional fees of \$101,806 (for the period from incorporation on November 6, 2018 to January 31, 2019 - \$17,808) due to service requirements required in the current year.
- Share-based payments of \$66,171 (for the period from incorporation on November 6, 2018 to January 31, 2019 - \$30,000) due to stock options granted in the current year.
- Transfer agent and filing fees of \$27,030 (for the period from incorporation on November 6, 2018 to January 31, 2019 - \$Nil) due to filing activities in the current year.

### QUARTERLY INFORMATION

	January 31, 2020		October 31, 2019		July 31, 2019		April 30, 2019		January 31, 2019	
Total revenue	\$	-	\$	-	\$	-	\$	-	\$	-
Net loss for the period	\$	(21,240)	\$	(174,238)	\$	(99,839)	\$	(27,587)	\$	(62,497)
Basic and diluted loss per share	\$	(0.01)	\$	(0.04)	\$	(0.03)	\$	(0.01)	\$	(0.01)
Total assets	\$	355,404	\$	366,410	\$	180,297	\$	216,456	\$	236,892
Total long-term liabilities	\$	-	\$	-	\$	-	\$	-	\$	-

The Company was incorporated on November 6, 2018. Comparative figures prior to January 31, 2019 are not available.

#### FOURTH QUARTER

There were no significant events or transactions during the quarter ended January 31, 2020.

#### TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. During the year ended January 31, 2020, the Company incurred \$66,171 (period from incorporation on November 6, 2018 to January 31, 2019 - \$30,000) in share-based payments to directors and officers.

	Nature of transactions	Year ended January 31, 2020	November 6, 2018 to January 31, 2019
<b>Related parties:</b>			
Chief Executive Officer	Management fees	\$ 17,000	\$ -
Chief Financial Officer	Management fees	\$ 3,000	\$ -
A Company owned by the Chief Executive Officer	Management fees	\$ 29,000	\$ -

As at January 31, 2020, accounts payable and accrued liabilities includes \$31,194 (2019 - \$Nil) due to related parties. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

During the year ended January 31, 2020, the Company entered into a loan agreement with a Company owned by the Chief Executive Officer to lend \$100,000. The principal amount of the loan plus accrued interest of 12% per annum shall be payable on demand after November 20, 2020 and the borrower has pledged marketable securities in the value of \$112,000 as collateral against repayment of the loan and accrued interest. During the year ended January 31, 2020, the Company accrued \$2,334 of interest.

In May 2020, the Company entered into a loan agreement with a Company controlled by the Chief Executive Officer to lend \$40,000. The principal amount of the loan plus accrued interest of 2% per month shall be payable on or before 10 days after notice in writing of demand by the Company, such demand not to be made before July 31, 2020. The borrower has pledged 4,000,000 common shares of Origen Resources Inc. as collateral against repayment of the loan and accrued interest.

## **LIQUIDITY AND CAPITAL RESOURCES AND CAPITAL EXPENDITURES**

At January 31, 2020, the Company had working capital of \$185,143 (January 31, 2019 - \$118,508). Management of the Company is confident that it will have sufficient working capital to meet its anticipated financial obligations for the next fiscal year.

During the year ended January 31, 2020, cash flows used in operating activities was \$261,052 relating to general operating expenses detailed on the statement of financial position (see [www.sedar.com](http://www.sedar.com)). The majority of these cash flows related to consulting and professional fees.

During the period from February 1, 2019 to May 29, 2020, the Company had the following share capital transactions:

- i) The Company entered into an agency agreement with Haywood Securities Inc. (the “Agent”) whereby the Agent raised on commercially reasonable efforts \$350,000 in an initial public offering (“IPO”) by the issuance of 1,166,667 common shares of the Company at a price of 0.30 per common share.

The agency agreement granted the Agent an over-allotment option (the “Over-Allotment Option”), exercisable up to 48 hours prior to closing of the IPO, to purchase additional common shares of the Company equal to 15% of the common shares issued pursuant to the offering. The Over-Allotment Option was exercised by the Agent and the Company issued 175,000 additional common shares for a purchase price equal to the offering price which resulted in aggregate gross proceeds of \$402,500.

The Company paid \$78,150 (of which \$10,000 was recorded as deferred financing costs as at January 31, 2020) and issued 33,333 common shares (valued at \$10,000) as share issuance costs. The Company also issued 134,167 Agent options (valued at \$24,500) exercisable at \$0.10 on or before August 29, 2021.

The Company completed the IPO during the year ended January 31, 2020.

- ii) The Company issued 33,333 common shares at a value of \$10,000 pursuant to the acquisition of the Sunset Copper Star Project.
- iii) The Company issued 1,000,000 common shares at a value of \$270,000 pursuant to the acquisition of the Split Dome Copper Project.
- iv) The Company closed the first tranche of a non-brokered private placement and issued 9,990,000 common shares at \$0.075 per share for gross proceeds of \$749,250.
- v) The Company closed the second tranche of a non-brokered private placement and issued 4,533,500 common shares at \$0.075 per share for gross proceeds of \$340,013.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet arrangements.

## **PROPOSED TRANSACTIONS**

The Company is continually involved in the review and evaluation of mineral projects. However, no agreements with respect to the acquisition of any such mineral projects has yet been entered into, and there can be no assurance that the Company will, in fact, be successful in entering into any such agreements or acquiring interests in any additional mineral properties, even if a formal letter of intent to proceed with formal negotiations is executed.

As at the date of this MD&A, there are no proposed transactions where the Board of Directors, or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with that have not been publicly disseminated.

## ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICIES

Please refer to the January 31, 2020 financial statements on [www.sedar.com](http://www.sedar.com) for details on accounting policies adopted in the period as well as future accounting policies.

## FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company's financial instruments consist of cash, accounts receivable, loan payable, marketable securities and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. See Note 9 of the Company's financial statements for the year ended January 31, 2020 for a discussion of the Company's risk exposure and the impact thereof on the Company's financial instruments.

The Company's cash at January 31, 2020 was \$20,080 and was primarily held at a major Canadian financial institution.

## DISCLOSURE OF OUTSTANDING SHARE DATA (as at May 29, 2020)

### Authorized Capital

Unlimited common shares without par value

### Issued and Outstanding Capital

20,165,167 common shares outstanding

### Stock Options Outstanding

The following stock options were outstanding.

Expiry Date	Exercise Price	Number of options	Number of options Exercisable
May 1, 2024	\$0.30	266,667	266,667

### Warrants Outstanding

The following warrants were outstanding.

Expiry Date	Exercise Price	Number of warrants	Number of warrants Exercisable
August 29, 2021	\$0.30	134,167	134,167

### Escrow Shares

The Company had 630,000 shares held in escrow as at January 31, 2020 and May 29, 2020.



## **CHANGES IN MANAGEMENT**

On October 23, 2019, the Company appointed Michael Collins as the Chief Executive Officer, President and a director of the Company and announced that James Walchuck resigned as the Chief Executive Officer, President and a director of the Company.

On October 29, 2019, the Company appointed Rachel Chae as the Chief Financial Officer of the Company replacing Mark Lotz.

On October 29, 2019, the Company appointed Arielle Morgan as the new Corporate Secretary of the Company.

On October 29, 2019, Sorin Posescu resigned as a director of the Company and the Company appointed Jason Cubitt and Chafika Eddine to the Company's board of directors.